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DOCUMENTS

Dr. John McLoughlin's Last Letter to the Hudson's Bay Company, as Chief Factor, in charge at Fort Vancouver, 1845

IN almost every history of Oregon is "quoted" the order said to have been given by Governor Simpson, of the Hudson's Bay Company, to Dr. John McLoughlin, chief factor at Fort Vancouver on the Columbia River—"King of the Columbia", the Americans called him. As given, Simpson's order was: "Starve or drive out every American in the country". No authority is ever cited: the story is sufficiently interesting to need no authority; and dramatic emphasis is added by "quoting" McLoughlin's answer. His reply, given with great dignity, it is said, was, "Then, gentlemen, I will serve you no longer", and he forthwith resigned an excellent salary as chief factor, retiring to private life among the Americans in the Willamette Valley. The date, as given, is anywhere from 1829, when there was but one French-Canadian farmer in the valley and no Americans at all, up to 1844, when several thousand Americans were in or near that valley, and starving out would have been as difficult as driving out.

The story has been repeated in the Old Oregon country so often that it is given as convincing proof of the hostility of the British, especially as represented by the Hudson's Bay Company, to American settlers. It has even found a place in recent books whose authors might easily have been better informed. The present writer, during a year of Oregon researches in London, had access to all the pertinent papers of the Public Record Office from 1790 up to 1860—the latter date marking an unusual extension of privileges—and also to the archives of the Hudson's Bay Company. In the latter case, permission was granted by the late Lord Strathcona, governor of the Company, and carried out with great kindness and courtesy by its secretary, F. C. Ingrams, Esq. Thus I had the opportunity of looking over and taking notes from old journals, despatches, letters, and notes of all descriptions, from about the time that Dr. McLoughlin arrived on the Columbia, up to 1847, after the treaty had been signed. Careful study of these letters and papers is fatal to the notions respecting British aggressiveness current at that time among Americans in the Oregon country and elsewhere.

The long letter printed below gives the actual facts respecting Dr. John McLoughlin's resignation as chief factor for the Company, and its motives. There had always been differences of business judgment between Governor Simpson and Dr. McLoughlin; for instance, in regard to the problem of the coasting trade from the Columbia River to Sitka. Both men were masterful, imperious, and both were possessed of exceptional business judgment and a rare devotion to their work. Either plan, it would seem, would have been successful; but one or the other would have to yield. Simpson, with a bird's-eye view over the entire trade, felt that his judgment must rule; McLoughlin, with supreme attention to his own particular territory, and his whole life and thought given to the advancement of the Company's interest, had a similar feeling with regard to his own judgment.

Yearly letters, when differences of business judgment occur, do not mend matters, and while there was nothing whatever derogatory in the action, as has often been charged, McLoughlin was directed to return to London in 1836 to discuss an outline for the Oregon business with the Governor and Committee, at which of course Simpson, as governor in North America, would be present. The order probably reached McLoughlin in the summer of 1836, on the London ship, for he seems to have had no time to plan for his absence. He did not go; but he wrote to the Company that the lateness of the London ship had deranged his plans somewhat, and furthermore, that his immediate absence from Fort Vancouver would interfere with Finlayson's projected visit to Sitka. In 1837, just recovering from a serious illness, he did not feel able, as he explained to the Company, to stand the hardships of either the long overseas voyage, or the overland journey and that via Montreal to London. In 1838, however, he went to London and some of his subordinates, including Archibald McDonald, thought he had left the Oregon country for good. But he returned with an advanced salary, with increased powers, and with well-laid plans for the development of the Puget Sound Agricultural Company, this company being distinct from yet embodied in the Hudson's Bay Company. All the stockholders of the new concern were stockholders in the fur company.

That there was not at this time the dissatisfaction with his work which has been implied by this misnamed "recall", is shown by McLoughlin's letter to London of November 15, 1836, thanking the Governor and Committee for confirmation of advanced salary made by the northern council, under Governor Simpson:

Permit me to thank Your Honors for sanctioning the grant proposed by the Northern Council which in my estimation is not valued so much in a pecuniary point of view as in its being a gratifying expression of general approbation the more soothing to my feelings from having in the course of my management had to contend with opinions directly opposed to mine, and to combat (when in novel circumstances of great difficulty which compelled me to step boldly out of the beaten path of routine) the views and declared statements of many whose opinions on other subjects I highly respect.

Without some such decided mark of your preference, I would have been left in doubt with regard to the general estimation of my services, and it is in this light, Gentlemen, that I highly prize the grant and will be ever proud of the recollection that I owe it to the approbation of Your Honors and of my colleagues in the fur trade.

In the light of future events, this letter is of significance, especially in connection with his last official letter to the Company, quoted below, and the statement made by Edward Ellice, one of the Company's Committee, before the parliamentary committee of investigation in 1857, that McLoughlin was a capable man, but he went his own course, and the Company never understood him.

In 1839 McLoughlin returned from London, having sent ahead of him careful directions for farm beginnings at Cowlitz Landing, on the river of that name, and at Fort Nisqually, on Puget Sound. He continued these directions after his return, and "Plough, cross-plough, then harrow and sow, and harrow again", was the burden of many letters. He did not care for farming, as he once wrote John McLeod, who acutely disliked it; yet McLoughlin and James Douglas as well, had a thorough grasp of the subject, and, fur-traders though they were, could quote the most approved agricultural methods of England and give minute directions on stock-raising.

The maze of work over which McLoughlin had direction, and into which he had keen insight, shows why the Hudson's Bay Company could hold its own in the fur-trade against all competition. He had a profound knowledge of the fur-trade, which was his especial business; he conducted, with profit, fur-trading and provisioning with the Russian American Company, and commercial trade in all kinds—deals, spars, shingles, salted salmon, flour, grain, and what-not—with the Sandwich Islands; and besides this the farming, stock-raising, and, last but not least, the control and management of the 80,000 Indians who lived in Old Oregon. No change was made at any post, even at such distant points as Stuart Lake, in the north of British Columbia, that was not made at his direction; or, in emergencies, under a factor or chief trader, with full, detailed report to McLoughlin at Fort Vancouver. There

were always five hundred men or more west of the Rocky Mountains, besides Indian helpers, yet McLoughlin knew the qualifications of nearly every one of them, and shifted men from one post to another with absolute certainty, to bring out given results at any one place.

Two years after McLoughlin's return from London, Governor Simpson, now Sir George, followed him to urge on the new developments, and supervise the extensions of trade and commerce, fur and commercial, in the Columbia District. And at this point difficulties between the two begin. Just how far the new honor had influenced Simpson's self-esteem, or how far McLoughlin had actually gone his own way as against the instructions received in London and in successive despatches, it is hard to say. But nothing was right. The new forts along the coast were ordered abandoned, and one to be begun as soon as possible at the southern end of Vancouver Island; Wilkes's exploring expedition had been in the Columbia, and the Americans had travelled the Oregon country, even to the upper Columbia near 49°, with great energy; the year before, a large number of American "mountain men", driven out of the Rocky Mountains by the decrease of fur-bearing animals, had drifted into the Willamette Valley and taken up "claims"—and a rough, lawless set of men they were, hostile to the British Company, yet demanding assistance of seed-wheat, oxen and ploughs, and clothing from them; other Americans, deserters from whalers along the coast, had also come into the valley; reinforcements of nearly half a hundred new Methodist missionaries had sailed into the Columbia, gone into the Willamette, and taken up farms as colonists, all Americans, of course; petitions had been sent to Congress urging that the United States extend its laws over its own country and its own people to protect them against Indians and "others who would do them harm"; and aside from actual danger to the Company's forts from possible attack by the Americans, the presence of settlers disturbed the Indians with whom they had frequent quarrels, and endangered the peace and safety of every white man in the country thereby, British as well as American. Besides all this, the business arrangement of long-time credit in Oregon, in the Sandwich Islands, and in California, was a source of dissatisfaction to the Company. The Americans have always insisted that this was British antipathy to them; but the correspondence shows there was nothing national about it. The Company did not want business on long-time credit, and there was good reason for it. In the investigation of 1857, an officer stated, under oath, that it was seven years from the time that cash was expended by the Hudson's Bay Company for Indian

trading goods, before the resultant furs were sold and the cash was again in the hands of the Company. With such an expense for interest as this necessitated, or at least very extensive capital, the Company preferred less business and more prompt payment. Furthermore, the wishes of the Company, through misunderstanding or otherwise, had not been followed with regard to headquarters for the California business: a small lot of ground and a house had been purchased at San Francisco or Yerba Buena, instead of the large tract of ground ordered. The lack of obedience here, however, seems to have been due to Mexican mismanagement of provincial affairs; yet Sir George did not forgive it. The management at Honolulu was also somewhat unsatisfactory.

McLoughlin (March, 1842) accompanied Simpson on this voyage down the California coast and to the Sandwich Islands. The notes exchanged between them on this voyage show the strained relations between them—a thing which was noticed by their subordinates and commented upon. But McLoughlin's work was, to him, almost his life; and his plans had been carefully considered and defined. Shortly after this the worst thing happened that could have happened in the eyes of the company. When Simpson went north to Sitka, a second time, *en route* to Russia, a few days before he reached there the Company's men at Fort Stikine had murdered the officer in charge, and that officer was young John McLoughlin. It seems quite likely that Simpson had an active dislike to the young half-breed whom he had rescued from trouble in 1837, in connection with the Canadian rebellion, and had sent far west to his father. But the hastiness of the Sitka investigation, Simpson's unqualified condemnation of Fort Stikine as a "sink of corruption", and his refusal to punish the son's murderers as McLoughlin demanded, or even to send them to Canada for trial were facts which the father never forgave. And this personal grief in the humiliating death of of his son, with the personal bitterness towards his immediate superior, made it that much the harder for McLoughlin to face the open condemnation of Sir George upon all his plans and all his work.

From that situation and not from the friendship which he showed the Americans, developed the personal antipathy between the two which led to McLoughlin's practical dismissal from the Hudson's Bay Company—not by any means a resignation because he refused to starve or drive out the Americans from the country.

McLoughlin's Oregon City claim, also referred to in the letter, has quite a history of its own. In brief, in 1829, when Étienne

Lucier was permitted to settle in the Willamette Valley, the first settler in it, McLoughlin took up for the Company, or for himself by transfer—according as circumstances might develop—a desirable claim at the falls of the Willamette. Before 1825 the British government had notified the Company to build their forts on the north side of the Columbia, as they should not dispute the American claim to the south side—and the Willamette Valley was on the south side—a fact which needs to be borne in mind in considering the fears and misstatements of those early settlers. The climate was mild, and McLoughlin had no wish to return to the rigors of eastern Canada. Looking forward to his own retirement, he took up the claim; yet under his contract with the Company he was not allowed to indulge in any side lines of business or of investment for himself, and therefore took it in the name of the Company and for their benefit, so long as they could legally hold it; then, with his idea of becoming an American, though not with any British antipathy, he could claim it as an individual and pass his old age in comfort. McLoughlin was loud in his praises of the Oregon climate in letters to his friends and to the Company. Sharp practice, however, on the part of the missionary Waller, complicated the whole question and the Company ordered him to relinquish the claim, which he refused to do as he had invested money in it. This was another source of personal difficulty between Sir George Simpson and Dr. McLoughlin.

Throughout McLoughlin's correspondence, his genuine, heartfelt sympathy for the American immigrants shines forth; yet, while following his broad, generous, humane impulses, he would conscientiously fulfill his duty as the representative of a fur-trading company, and live up to his sense of business honor towards his associates and towards his Company. Thus whatever he did for the Americans was done on a business basis, rather than upon an emotional one. To the Americans, he emphasized his feeling of sympathy and friendliness towards them; to the Company, he emphasized his common-sense business attitude towards them. A blending of the two is more nearly the truth.

In printing the letter modern capitalization has been followed, for reasons inherent in the text; the letter, copied by the office clerk at Fort Vancouver, was signed by McLoughlin but not written by him.¹

KATHARINE B. JUDSON.

¹ Upon the subjects of the correspondence in general, reference may be made to Dr. McLoughlin's narrative printed in the *Quarterly* of the Oregon Historical Society, I. 193-206, to another account by him, printed in the *Transactions* of the Oregon Pioneer Association, 1880, and to Sir George Simpson's letters printed by Professor Schafer in the *American Historical Review*, XIV. 70-94.

FORT VANCOUVER, COLUMBIA
20th November, 1845

To

The Governor, Deputy Governor, and Committee,
Honble Hudson's Bay Company.

Honble Sirs,

I informed your Honors in my last communication of the 30th August, 1845, that we had yielded to the wishes of the respectable part of the people in the country, of British and American origin, by uniting with them in the formation of a temporary and provisional Government, designed to prevent disorders and maintain peace, until the settlement of the Boundary Question leaves that duty to the parent States.² That communication, having been forwarded to the Sandwich Islands by the *Chenamus*,³ an American trading vessel and not having implicit confidence in the security of the conveyance, I merely touched upon the known and obvious reasons which induced us to come to this determination, while I withheld the secret motives which had, at least, an equal influence, at the time, upon our minds. I intend now to enter more fully into the subject, trusting your Honors will pardon me if I should happen to be over particular on a matter which I am anxious to lay before you in all its bearings.

2. The critical position of our affairs, the danger to which the large property of the Company in this country was exposed in the midst of a hostile population living without the restraint of laws, and the difficulty of keeping off intruders and maintaining by peaceful means the Company's rights to the land occupied by their improvements and stock, was every day becoming more and more pressing.

3. A crisis was evidently fast approaching which would drive us to the painful necessity of yielding to the storm, or of taking the field openly, arms in hand, with means so unequal compared to those arrayed against us, as to leave no hopes of success. It had become necessary to take decisive measures, yet neither course appeared desirable, as a forced submission or resistance would alike have brought our reputation, influence, and property into the utmost peril. In those trying circumstances the idea of a union for the purpose of mutual protection, with the white population in the Wallamette, was suggested to me while on a visit to the Wallamette Falls, by the following letter from Mr. Applegate,⁴ an American, much respected by his countrymen, and a Member of the Provincial Legislature, then in session:

² The first provisional government had been resolved on at a mass meeting at Champoege on May 2, 1843. After meetings, in 1844 and 1845, of legislative bodies chosen as a part of this provisional government, its constitution was revised into a form accepted by popular vote on July 26, 1845. The legislature came together again on August 5.

³ The *Chenamus* was a Newburyport brig which sailed from the Columbia in the summer of 1845, bound for the States.

⁴ Jesse Applegate (1811-1888), a chief leader in the emigration of 1843 and in the legislature of 1845. See Professor Joseph Schafer's pamphlet "Jesse Applegate, Pioneer and State Builder", in *University of Oregon Bulletin*, vol. IX., no. 6.

"To John McLoughlin,
Chief Factor of the Hudson's Bay Company,
Sir,

"OREGON CITY,
14th August, 1845.

As a question has arisen in the House of Representatives on the subject of apportionment, upon which I feel peculiarly situated, I beg leave to ask of you a question, the answer to which will enable me to come to a definite conclusion on that subject. The question to which I would be happy to receive an answer is,—Do you think the gentlemen belonging to the Company over which you preside will become parties to the "articles of compact" by the payment of taxes, and in other respects complying with the laws of the provisional government?

Your answer to this question is most respectfully solicited.

Yours with highest respect,

(Signed) JESSE APPLGATE."

4. To this letter I made no reply beyond telling Mr. Applegate that I could not decide on a point of so much importance without first consulting the other officers of the Hudson's Bay Company in the Columbia. On my return to Fort Vancouver, I mentioned the matter to Mr. Douglas,⁵ and after much consideration, he agreeing in opinion with me, that neither our rights nor duties as British subjects, nor the honour or interests of the Hudson's Bay Company required that we should stand aloof, we decided on joining the Association both for the security of the Company's property, and for the peaceful maintenance of its rights; and moreover, the Association being merely a union of certain parties, British and American subjects, being divested of all nationality of character, having no national objects in view, and its exclusive aim and purpose being the protection of persons and property, our becoming parties to it could not in any manner interfere with our duties, nor invalidate our claims as British subjects. We were also influenced in this decision by the consideration of the inevitable evils which threatened us and which we could not guard against if we remained isolated from the rest of the community. The first of these was the loss of the Company's servants by desertion, and the ease with which they could fly into the Wallamette Settlement, where they could not be arrested at our suit unless we took part in the Association. To show Your Honors that this danger was not imaginary, though there has been actually no case of desertion from this Post, except in one instance, I am sorry to say that no less than six men, the entire crew of one boat, deserted last summer from the brigade, on its return to the interior, between this place and Fort Nez Percés,⁶ which compelled Messrs. Tod and Manson⁷ to leave the boat and cargo at that post, to the serious inconvenience of the trade.

5. Another powerful inducement arose from the considerable amount of outstanding debts, we have in the Wallamette Settlement, which under the former circumstances of the country we had every reason to think would be punctually paid; but in its newly assumed political posi-

⁵ James Douglas (1803–1877), afterward Sir James, had been on the coast since 1824, had lately been McLoughlin's chief assistant, and was now chief factor and a member of the board of management. He was governor of Vancouver Island 1851–1853, of British Columbia 1858–1864.

⁶ Afterward called Fort Walla Walla; now Wallula, Washington.

⁷ John Tod was chief trader at Fort Kamloop in what is now British Columbia; Donald Manson had charge of the district of New Caledonia.

tion, we would have been cast entirely on the honour and good faith of our customers, as the law could of course only give protection to those who gave it support; but by joining the Association we can sue and attach the property of any man in this country who is indebted to the Company.

6. Again, we had to guard against the designs of many desperate and reckless characters,—men acknowledging no law and feeling not the restraints of conscience, the outcasts of society who have sought a refuge in the wilds of Oregon. With their natural turpitude of disposition embittered by national hostility, such men would not shrink from the connivance of any crime; they were determined at all risks to intrude upon the Company's land claim, and they made no secret of their plans if ejected by force. If not supported by their countrymen, they were to seek an easy revenge by firing our premises, destroying our lands, or such like deeds of cowardly villainy. As an instance of their temper and designs, I may mention that last spring when we were engaged in forcing Williamson off the Company's grounds,⁸ Dr. White, the United States Indian Agent,⁹ informed Chief Factor Douglas that Williamson's party were threatening to burn this establishment, a piece of intelligence that was doubtless intended to scare us into a compromise of our rights. It, however, failed of its effect, as Mr. Douglas very properly answered that he was perfectly indifferent as to consequences, and would not be deterred from the faithful discharge of his duty by menaces of a ruffian; yet it was impossible to conceal from our own minds that we were exposed to so dreadful a calamity. I was also credibly informed that other parties had pledged themselves to destroy our premises.

Now this was precisely our situation at the time we joined the Association. A party adverse to the Company were determined to fasten a claim on some part of our premises, and if resisted by force they were to resort to the acts of skulking incendiary; we had no security for the recovery of our debts, and our men might be tempted by the certainty of immunity and high wages in the Wallamette to desert the Service.

7. We made a representative of our exposed situation to the British Consul General at the Sandwich Islands, who paid no attention to the application further than is contained in the following note addressed to Messrs. Pelly and Allan¹⁰ who having seen a copy of my letter wrote to him also on the same subject.

“H. B. MAJESTY'S CONSULATE GENERAL
HONOLULU, 3rd June, 1845

“*Gentlemen:*

With reference to your letter of the 31st ult. I beg to acquaint you that I have given due consideration to Dr. McLoughlin's communication and that with respect to the suggestion of a ship of war proceeding to the Columbia River, I have had a conversation with Sir Thomas Thompson the Senior Naval Officer amongst these islands.

I am, gentlemen, etc., etc.

(Signed) WILLIAM MILLAR
Consul General.”

⁸ Henry Williamson, an American, had in 1844 begun to build a cabin on land claimed and occupied by the Hudson's Bay Company. McLoughlin had it pulled down before the walls were half up. Later Williamson withdrew.

⁹ Elijah White, sub-Indian-agent.

¹⁰ Agents of the Hudson's Bay Company at Honolulu.

9. The season was also so far advanced that we had no reason to expect the arrival of any Government vessel on the coast.

10. In these circumstances, therefore, we saw no means so well calculated to preserve the rights and property of the Company, to prevent outrage and ruin, to promote British influence, and in other respects, so perfectly unexceptional, as to take part in the Association, and we have since seen no reason to repent our choice.

11. Having come to a decision on this important matter, I immediately returned to the Wallamette Falls where the Legislature was still in session, prepared to act if they made any formal proposition, for bringing about a union. Mr. Applegate soon again introduced the subject, and I discovered in conversation with him, that his object for addressing me the note given in a former page of this despatch was to put us upon our guard with respect to the designs of certain parties in the Legislature who were by no means friendly to us.

He informed me that it had been determined, by a vote of the Assembly, to erect the country north of the Columbia¹¹ into two districts, to be named after Lewes and Clark, under the jurisdiction of the provisional government, in order to meet the wishes of the Americans who then held lands, and of others who intended to settle there. This proceeding he was aware might lead to interference with the Hudson's Bay Company and endanger the peace of the country. In order to avert evils which would involve the people at large in ruinous dissensions, he and many other well-disposed Americans were anxious to have matters so arranged as to leave the management of the district north of the Columbia river entirely in our hands, which could evidently not be accomplished unless we joined the Association. He also observed that although the Executive Committee had, from a sense of justice, strongly expressed their disapprobation of Williamson's conduct last spring, yet as I well knew, they could give no positive assistance to any parties not included in the organization and I am sorry to say, he continued, that Williamson has many abettors in the Settlement, who would seize with avidity any opportunity of creating a disturbance.

12. I told him in reply that I felt extremely obliged by the good feeling shown by himself and friends; that I had always held the opinion that it would be difficult for the subjects of different states to live harmoniously together in a newly settled country like this, claimed by both Governments, and yet neither exercising authority within its bounds, that in consequence it appeared to me absolutely necessary that the inhabitants should unite in forming regulations for their own protection, and that as the organization was simply a compact entered into for that purpose, and in no shape interfered with our duties as British subjects, the officers of the Hudson's Bay Company would, on certain terms, consent to join the Association, providing the Assembly sent us a formal invitation to unite with them.

13. The following letter was soon after brought to me:¹²

¹¹ North of the Columbia, in 1845, there were but half a dozen settlers, with their families, settled around the Tumwater, near the present Olympia. The first Americans to make the effort to settle there, in 1844, turned back; but repeated the attempt the next year. The country south of the Columbia had been organized into four districts, later called counties.

¹² This letter, and that which follows in the next paragraph, are quoted in Bancroft's *Oregon*, I. 495, from the Oregon archives.

"OREGON CITY, August 14, 1845.

"To John McLoughlin,
Chief Factor of the H. B. Comp'y

Sir,

As a question has arisen in the House of Representatives on the subject of apportionment, upon which we feel peculiarly situated, we beg leave to ask of you a question, the answer to which will enable us to come to a definite conclusion upon that subject. The question to which we would be happy to receive an answer is:

Do you think the gentlemen belonging to the Company over which you preside will become parties to the Articles of Compact by the payment of taxes and in other respects complying with the laws of this provisional government?

Your answer to this query is most respectfully solicited.

Yours with the highest respect,

(Signed) I. W. SMITH
H. A. G. LEE
J. M. GARRISON
BARTON LEE."

14. My reply which had been previously drawn up and signed by Chief Factor Douglas and myself, was as follows:

"OREGON CITY, 15th August, 1845.

"To

I. W. Smith	} Esquires
H. A. G. Lee	
J. M. Garrison	
Barton Lee	

Gentlemen,

We have the honor to acknowledge your favor of the 14th instant, and beg in reply to say, that viewing the organization as a compact of certain parties, British and American subjects residing in Oregon, to afford each other protection in person and property, to maintain the peace of the community and prevent the commission of crime, a protection which all parties in the country feel they stand particularly in need of, as neither the British nor American Government appear at liberty to extend the jurisdiction of their laws to this part of America, and moreover, seeing that this compact does not interfere with our duties and allegiance to our respective Governments nor with any rights of trade now enjoyed by the Hudson's Bay Company, we the officers of the Hudson's Bay Company, consent to become parties to the articles of compact, provided we are called upon to pay taxes only on our 'Sales to Settlers'.

We have the honour to be,

Gentlemen,

Your very obed't Serv'ts

(Signed) JOHN McLoughlin
JAMES DOUGLAS."

15. In addition to the terms of compact stated in my letter, another condition was required as indispensable, that the district or north bank of the Columbia that they had named after Lewes and Clark should be called "Vancouver District". This point excited much unpleasant

feeling among the Americans, and gave rise to many angry discussions but was finally carried in our favor by *one* vote, which shows how unpalatable the motion was. That object being gained, we became parties to the Association, and the district officers required to administer the laws (say three judges and a sheriff) were immediately afterwards appointed. These appointments are filled by Chief Factor Douglas, Mr. Forest, and Mr. Simmons, (an American) as judges, the sheriff being Mr. Jackson, (an Englishman settled in the Cowlitz).¹³ In order to obtain the full advantage of the laws of the Association, in regard to land claims, we have had the country around this place surveyed, and had nine lots, each of one square mile, registered in the Recorder's office,¹⁴ to be held for the Company, under the names of

James Douglas, Chief Factor
Francis Ermatinger, Chief Trader
Forbes Barclay, Surgeon and Clerk
Richard Lane, Clerk
James Graham, Do.
Thomas Lowe, Do.
William Bruce, Gardener
Edward Spenser, Apprentice
John McPhail, Shepherd

and we have besides three or four more lots to take, in order to cover the remainder of the Company's ground here. The advantage of this arrangement is that any intruder can be ejected from these claims on a magistrates warrant and the owners right of property protected, without his having recourse to violent means, or even appearing in the arrest, as he has only to prove that the land was registered in his name, and that the other requisition of the land law regarding claims, that is to say, having the four corners marked by stakes or notched trees, and a hut built upon it, had been duly executed.

16. We shall also cover all the valuable points about the Cowlitz Farm and Nisqually¹⁵ in the same manner, so as to put an end, so far as possible, in our circumstances, to contention and strife about land claims.

17. The contributions paid by us towards the support of the Provisional Government amounts this year, as per accompanying statement, to

\$156.15 H. B. Co.
70.50 P. S. Co.¹⁶
\$226.65/100

and every other member of the Association is taxed at a corresponding rate. The salaries of the persons holding offices in the executive and judiciary are to be paid from the funds so raised, and the excess if any will be laid out under the direction of the proper officers, in defraying the expence of building court houses, jails, and other necessary offices.

¹³ Charles Forrest, superintendent of the Cowlitz farm, Michael T. Simmons of Newmarket, John R. Jackson.

¹⁴ This was the extent of each American claim as allowed to each settler by the land laws of 1844 and 1845, passed by the provisional legislature—title to be perfected after five years' occupancy.

¹⁵ The former near the present Cowlitz, Washington, the other near the present Steilacoom, at the south end of Puget Sound.

¹⁶ Puget Sound Agricultural Company.

I may further inform your Honors that the Association does not pretend to exercise authority over such persons as have not voluntarily joined it, and do not contribute to its support, except in cases where injury is done to members of the Association, when reparation is exacted; neither does it extend protection to any but its own members. Any person, therefore, whether English or American, may become a member, or remain unconnected, as they may choose; but the benefits of the Association are so apparent to all that a very few of the Americans, and those, generally speaking, of the very worst character, have refused to join it.

The conduct of Mr. Applegate and his friends in promoting the Union, exposed him to the suspicions of the ultra-American party, and I am convinced that it was only their anxiety to prevent disorders in the country, that induced them to support the measure so strenuously. In fact, they were encouraged in their course by most of the respectable Americans in the Settlement, who, seeing the difficulty of preserving peace and preventing contentions about land claims, applied their attention to remodelling the former organic law, and divesting it entirely of its national character, in order to induce the Hudson's Bay Company's servants to enter the association. Having with these views made advances toward a union with us, we would not have felt justified even on the score of humanity, in refusing to act unitedly with them, as by doing so we relieved them from the apprehension of danger; gave them a right to coerce American citizens, and drive them from the Company's grounds by the action of the law.

20. At the same time, we have secured the rights of the Hudson's Bay Company, without embroiling ourselves or the British Government in vexatious disputes with a gang of low, contemptible vagabonds, who would feel highly honoured by such notice.

21. The Ultra party were excessively annoyed at this being called Vancouver's District, a point we insisted on carrying; it appeared to them a concession of American rights, and an avowal of the British claim to the north bank of the Columbia, but the tide set so strongly against them that their opposition was overpowered.

22. By this arrangement we have, in my opinion, greatly strengthened our position, and removed the immediate danger of collision without the concession of any British rights or objects or making any unworthy concession whatever; we have entered the Association avowedly as British subjects, which will certainly not weaken our influence in the country. Many, I know, will feel disposed to condemn the measure without understanding or inquiring into its merits; but I am happy to state that the officers of Her Majesty's Government, who have since visited this river, seem to think favourably of it, and I trust it will also meet the approbation of Your Honors. I think it would be folly in us to risk our property in supporting a false position, which can advance neither the interests of our country nor of the Hudson's Bay Company.

23. . . . [The Committee in London criticize the quality of the land beaver received from the Russian American Fur Company, asserting that their instructions had not been sufficiently attended to, and that the beaver by contract was to have come up to the standard of the Mackenzie River beaver.]

24. [McLoughlin defends himself on the ground that the requirement that the beaver should come up to the Mackenzie River beaver

was not in the contract. The letter of instructions from the Committee to McLoughlin was copied and given by him to Mr. Manson, with particular instructions to be careful as to the quality of the beaver.]

25. [Criticism by the Company based on their mistaken notion that McLoughlin planned to raise wheat in California, by the work of the Company's servants, and send it to Sydney, Australia. McLoughlin explains that he was misunderstood; the demand for flour at Oahu was great, and if any was secured it was to be sent there as part of the California trade, but to meet the demands made for it from Sydney. He adds]: If it had not been for the great expense of importing flour from Europe, the serious injury it received on the voyage, and the absolute necessity of being independent of the Indians for provisions, I would never have encouraged farming in this country, but it was impossible to carry on the trade without it.

[McLoughlin quotes a sentence from Simpson's letter of December 8, 1835]: "The California trade should likewise be pushed, if it pays at all, it will afford a freight to our country vessels, and a filling-up freight in the article of tallow to the homeward ship of the season."

26. In the 10th par. Mr. Secretary Barclay¹⁷ writes: "The report on the trade of the Northwest Coast contained in your despatch to the Governor and Committee and to Sir George Simpson is upon the whole satisfactory. The advantages, however, which the Governor and Committee had hoped would be derived from placing the Columbia Department under the charge of one person have, I am sorry to state, not been realized. After maturely considering the results which have been obtained up to the present time, and looking forward to the probable circumstances of the future, they are decidedly of opinion that it is not advisable that the charge of so extensive a district should be confided to one individual, however experienced. They have therefore resolved that the country shall be divided into two or more districts, each to be represented by a commissioned officer. This resolution will be communicated to the Southern Council in the next general letter, together with instructions to the council to make such a division of the country and to appoint such officers as they may think fit. The Governor and Committee have also determined as a necessary consequence that the allowance of £500 per annum which was granted to you beyond your emoluments as a chief factor in consideration of the great extent and consequent responsibility of the charge committed to you, shall cease on the 31st May, 1845."

27. As I stated in the 18th par. of mine of 19th July last, "as to the £500 it is part of the conditions on which I renewed my agreement with the Hudson Bay Company through Sir George Simpson, and I beg to state that I would have renewed my agreement on no other terms, and that I should have charge of the Columbia Department; and I objected at the time to Sir George Simpson at the clause giving power to the Committee to place any commissioned officer on the retired list. His reply was, 'You need not be anxious about it. This will not be done to you.'¹⁸ However it is not my wish to remain in the Service if my conduct is disapproved of. But in justice to myself, I beg to request that your Honors will please state what act or acts of

¹⁷ A. Barclay, secretary of the Hudson's Bay Company.

¹⁸ The quotation marks are erratic. The first quotation evidently ends after "Columbia Department".

mine have induced them to withdraw the allowance of £500 per annum from me, as I think before proceeding to this, I ought in justice to have been informed of what I have done, so as to have an opportunity to vindicate myself if I could.

28. [Quoting]: "The unfortunate death of your son at Stikine¹⁹ in the spring of 1842 has, as was to be expected, been a source of great grief and affliction to you, and your mind has naturally been much occupied in considering the means by which the parties who committed the act which caused his death may be brought to trial, but while the Governor and Committee sympathize with you as a father, and feel deeply concerned that so disgraceful a transaction should have taken place at one of their Establishments, they cannot approve of the measure you have adopted of sending all the parties concerned to Canada, the way you have done.

"From the information they have received, this appears to have been both an irregular and injudicious proceeding, and they doubt much if the object aimed at will be attained; but as you have chosen your own course, and instructed your agent in Canada to institute legal proceedings in the courts there, the Governor and Committee decline any interference on the part of the Company, and consider you responsible for all costs and consequences that may ensue."

29. I am obliged to your Honors for your kind sympathy for the murder of my late son, and if due pains had been taken to examine into that atrocious deed at first, by Sir George Simpson, it would not have been my painful duty to trouble you so much as I have done, and it was sufficiently mortifying to my feelings having Philip Smith rewarded by Sir George Simpson by an increase of wages, without having the additional outrage inflicted upon my feelings by seeing Charles Boulanger, one of the Stikene men implicated in the murder of my late son, sent this season back to the Department, and I am informed others of the men implicated in the Stikene murder are in the Company's service. The man Philip Smith is a common laborer, who had been left by Sir George Simpson as a temporary assistant to my late son, and though he saw Heroux load a gun with which he told Smith he intended to shoot my son, yet Smith never told my son of his danger, and though Smith declared this to Sir George Simpson in his deposition, instead of reprimanding him and taking measures to dismiss the man from the service as soon as possible, Sir George Simpson rewarded him by allowing him an increase of wages for the year he had yet to serve, and ordered him to be re-engaged at the increased rate for two years commencing from the expiration of his existing agreement, which I merely mention as a duty, so as to be clear of the consequences which must result from such proceedings.

30. As to having "chosen my own course" I only instructed my agent to prosecute if the Hudson's Bay Company did not do so, and as Sir George Simpson told him you would not prosecute the murderer of my late son, I had no other alternative but to act as I did, after the manner Sir George Simpson took the depositions, stating everything the deponent was pleased to say, without taking the trouble to ascertain

¹⁹ Young McLoughlin was murdered April 20, 1842, by a Canadian named Urbain Heroux. Fort Stikeen was near the mouth of the Stikeen River, near the present site of Wrangell, Alaska. See the account in Simpson's *Overland Journey*.

if it was true or not, acting upon it as if it were true, (we now know that what was *true* was grossly exaggerated, that the greater part is false, and that Philip Smith deliberately perjured himself) and founding his opinions on the depositions he took. Sir George Simpson sanctioned with the authority of his name calumnies against the memory of a man who was murdered merely because he obeyed the instructions he received from *him* (and which were proper) from which calumnies his memory could be relieved and justice done to all parties only by bringing the affair to a judicial investigation, and as an act of justice I must say though Sir George Simpson is accountable for the manner he took the depositions, yet if Mr. Rowand²⁰ had done his duty and mentioned to Sir George Simpson as he did here, that he considered my late son's life in danger from the bad disposition of the men at Stikine, my son would not have been murdered. And Sir George Simpson cannot forget that I repeatedly mentioned to him the danger to which Mr. Rowand often told me my son was exposed.

31. Sir George Simpson in his letter to your Honors, dated London, 5th Jany., 1843, writes, "I have learned from Mr. Rowand that his father and himself were informed by their servant La Grasse that the conduct of Mr. McLoughlin, Junior, was exceedingly violent and irregular, and that in an act of violence of then recent occurrence, a sword was broken."

To show your Honors how little pains Sir George Simpson takes to examine if what is reported to him be true, and how incorrect some of his informants are, I may mention that the sword alluded to was not broken in an act of violence on any person, but by accident; you see in Mr. Roderick Finlayson's deposition, who was with my late son from the day he took charge in March 1841 to the 2nd of October 1841 when Mr. [F.] and Dr. Rowand were at Stikene and left him, that the only punishment my deceased son inflicted during that time was that he chastised his servant once for stealing rum and getting drunk, Pierre Kanaquassé for stealing the provisions of the fort and giving them to Indians, and flogged two Sandwich Islanders for sleeping on their watch (as the security of the establishment depended on the vigilance of the sentinels); and even from the depositions taken from the men themselves, it is certain on their own showing they were not punished more severely than from their own confessions their misconduct deserved; and if my deceased son were alive to state what they had done, I am certain it would be found much less than ought to have been inflicted, and that there was not the least foundation for Sir George Simpson writing to me, in his letter of 27th April, 1842, "But I consider it due to the people to say that as a body their conduct throughout has been fully better than could have been expected under such inhuman treatment as they were frequently exposed to", and there can be no doubt in the minds of those acquainted with these men that from the manner La Grasse reported to them Mr. Rowand received the stories he told him, these men were induced to be more troublesome to my late son than they would otherwise have been, and that that may have led to his murder. Whatever may be the consequence of what I have done, I will have the satisfaction to feel that in acting as I did, I was only fulfilling

²⁰ Rowand, chief trader of the Saskatchewan district, had accompanied Simpson on his travels as far as Stikeen, and for a time had been left there on account of illness.

my duty by doing what I could to see justice done, though I have not been able to accomplish it.

32. In the 12th par. of your despatch to Sir George Simpson, dated 10th March, 1845, you write, "We have perused with much attention the report contained in par. 9 to 43 inclusive of your despatch of 20th June last on the business on the west side of the mountains, which does not by any means appear to be in so prosperous or satisfactory a state as could be desired. This seems to arise from a variety of causes, but more especially from the very injurious and inconvenient proximity of emigrants from the United States, and from the presence of strange vessels on the Coast." I beg to submit that I consider it would have been but right and proper as an act of justice to us in this Department, and to the Company, in case of misapprehension, that Sir George Simpson had sent a copy of this report to me.

33. As to the mills mentioned in the 17th paragraph of that despatch and in the 38th and 39th par. of Sir George Simpson's of the 16th June last, I am surprised and pained after what I have written to see from the manner this is mentioned that my views and intentions have been misunderstood, and in justice to myself and family I beg to state I acted as I did in this affair to support the interests of the Hudson's Bay Company, and to fulfill more effectually the views in your instructions, than I could in any other manner possibly accomplish. In the 5th par. of yours of 28th August 1835 you write, "With respect to the Americans, we have no doubt that you have done that which appears right in regard to Wyeth²¹ and we hope it may prove so, but we are decidedly of the opinion that the very reverse of the system we recommend as applicable to the Russians should be pursued towards the Americans. Wherever they attempt to establish a post on shore we should have a party to oppose them, and to undersell them even at a loss." That is, as a general rule, the best way to contend with opponents in trade in the country.

34. As the "Falls of the Wallamette" are destined by nature to be the most important place in the country, and though there were improvements on it, yet the Methodist Mission wanted to possess themselves of the place, of which I was informed in 1840. But I could not believe that persons calling themselves Ministers of the Gospel would do what their countrymen in the most humble station in life having the least regard for right, would condemn. I did not therefore give credit to my informant, and you have seen by the documents I forwarded to you on the subject the very insidious manner they took to attain their object, and as they wanted by securing the place to increase their influence, so as to oppose me more effectually, to defeat them and secure the place it became necessary to build there, and though I might have built there in 1842 for the Hudson's Bay Company in compliance with Sir George Simpson's instructions in the 7th par. of his letter dated Woahoo,²² 1st March 1842, to whom in 1829 and in 1841 I had pointed out the importance of the place, yet as the Methodist Mission

²¹ Nathaniel J. Wyeth, coming out for the second time in 1834, had set up an establishment on Wapatoe Island, competing with the Company in the purchase of furs.

²² Oahu (Honolulu), Hawaiian Islands. The reader may compare Simpson's statement concerning the matter, in his letter of November 25, 1841, addressed to the Company from Fort Vancouver, *American Historical Review*, XIV. 82.

had excited a strong national policy against the Hudson's Bay Company without any cause whatever (as it is well known we never did them anything but good) and they acted thus as they said from national views, merely because we were a British Association maintaining and extending British influence, I was afraid if I built the mill in the name of the Hudson's Bay Company, it would be destroyed, from the feeling they had excited against us among their countrymen; and even if this did not occur, as you had written in your despatch of 21st July, 1824, "We cannot expect a more southern boundary of [than] the Columbia in any treaty with the Americans", when that occurs the Company would lose all its improvements at the place, which would become the property of the Methodist Mission and of Mr. Waller, without their paying one farthing for them, in the same way as one Beaubien dispossessed the United States of their barracks in Chicago, under the pre-emption laws of the United States,²³ and as there was no other way to avoid this loss, I conceived it necessary to follow out the plan and build there, but to build in my name. I did so, and wrote in my private letter to Sir George Simpson, dated 20th March, 1843, giving him a short detail of the proceedings of Mr. Waller and the Methodist Mission, and stating, "In acting as I have done, I have only been actuated by a desire to secure it more effectually to the concern, and to have less dispute about it, as I think it can be more effectually secured in the name of an individual than in that of the Company, and I wish to know:

"Can the Company secure the place in their own name?

"If they cannot, can I secure it for them in my name? If either of these can be done, I will do it at once. If the Company cannot keep it in their name, nor I keep it for them in mine, I will then keep it in my own name on my own account. In the meantime, till I hear from you, I will go on as if it was mine."

In his reply dated 21st June, 1843, he writes, "With respect to your private letter of 20th March on the subject of our claim to the Wallamette Falls, I submitted the same to Mr. Recorder Thom²⁴ for his opinion, which I beg to annex, and have handed both the letter and copy of opinion to the Governor and Committee." You see in this answer there is nothing explicit, nor is Mr. Recorder Thom more so; but if Sir George Simpson had authorized me to take possession of it in my name, I would not have given five acres land and five hundred dollars to the Rev. Mr. Waller, and if I had received your Honors decision in time (which I could at the same time I received copy of Mr. Thom's reply to my queries in regard to deserters, as I sent them by the same despatch in which I sent my queries to Sir George Simpson), I would have been able to give a test of proprietorship, and would not have had to give five thousand five hundred dollars to the Methodist Mission for the lots

²³ Jean Baptiste Beaubien, who since 1817 had lived on the Fort Dearborn reservation at Chicago, attempted in the thirties to acquire title to a part of it. In 1835 he entered a claim at the Chicago land-office, which was allowed. An action of ejectment against the United States agent was sustained by the state courts. The United States Supreme Court reversed the decision and ordered the land to be sold in lots to the highest bidder; but there was a general refusal to bid against Beaubien, and he bought in much of the property. Quaife, *Chicago and the Old Northwest*, p. 278; Andreas, *History of Chicago*, I. 84-86.

²⁴ Adam Thom, recorder of Rupert's Land, resident at Fort Garry (Winnipeg).

I had to purchase from them, as they had no just or legal claim, and I could have rejected them, and which I did because if it came to a legal decision, I could not produce a legal test of proprietorship and all the money laid out there would be lost and the building go to the Methodist Mission; and as all that had been done there was contrary to the instructions in yours of 21st July, 1824, I might be blamed, though in building there I did so to promote the interest of the Company in order to avert the loss. As I was situated I had no alternative but to act as I did, as the Methodist Mission was broken up and selling all their effects, and as these lots were required to complete the Establishment, if I allowed them to pass to the possession of others, I would not get them without paying much dearer for them.

35. If I had intended to speculate I would not have taken Abernethy's mill (for if any part breaks, the whole mill will become useless, as in this country there are no means of repairing it) when I had orders not to erect it, but which I did because it was a dead weight in the stores of the Company, and if not erected then (as Mr. Fenton, the millwright, at the time said and still says he would go home at the end of his engagement) the mill would have become a complete loss to the Company. To sum up the subject, I erected the mill to manage the business under my charge with more advantage to the Company, by enabling me to oppose our rivals in trade more effectually. Having acted with these motives and with these views in compliance with the spirit and tenor of your instructions and those of Sir George Simpson, I need not say how I must feel at the perusal of Mr. Secretary Barclay's despatch of 30th Nov. 1844, yours to Sir George Simpson of 11th March 1845, and Sir George Simpson to me of the 16th of June last. And so far am I from wishing to speculate, that as I consider (for reasons which I will state in a subsequent part of the despatch) that the Hudson's Bay Company will find it to their interest to carry on business there as long as the law allows them and as for this purpose the use of these premises will be highly advantageous to them, and as I intended them for that purpose, I will offer them to my successors at a rent sufficient to cover the wear and tear on the buildings, etc. with a right to sell them as soon as I find a purchaser. But it may be said, why not hold the claim in trust for the Company as others hold here? That can not be done, as I have given building lots on which the people have made improvements, and as the Company would lose the claim the moment it becomes U. S. Territory, these men would lose their property; to avert this, I can only make a sale of it to an individual.

36. In the 10th paragraph you say, "On delivery of her cargo at Fort Victoria, the engagement of the chartered vessel to the Company terminates, and she will be at the disposal of her Commander for the benefit of the owners, but is not again to be taken up for the Company's service, as there will be as many vessels in the country as can be advantageously employed". The transport by sea of this Department in consequence of the growing population and extension of our business in the country is increasing, and next year we will unavoidably have at least 6000 barrels flour to send to market, besides deals, spars, and salt salmon for the Sandwich Islands. We have besides a cargo of wheat to send to New Archangel,²⁵ a service (owing to the stormy

²⁵ Sitka.

climate) which will employ a vessel the greater part of the summer. We have also the transport to and from the posts in the Straits of De Fuca which will give full employment to the *Cadboro*,²⁶ and we have also to send the outfits and bring the returns of the posts on the N. W. Coast which will employ another vessel a great part of the season. We have the furs of the interior to be sent round to Victoria, and the outfit for this place to be brought here, and to despatch one vessel with the returns for England in November, after which we remain with one barque and the *Cadboro* (which is not to be depended on for a sea voyage in winter) until the next London ship arrives in 1847.

37. From this your Honors will see that this amount of work cannot be got through with the shipping means at our disposal, and besides what I have stated, the Russian American Company have just written to us to send them an additional cargo of wheat and flour, and we are likewise directed to send to Victoria 1000 barrels flour for the use of Her Majesty's ships which may call there; and instead of increasing our shipping as I requested in mine of 4th July, 1844, by sending a larger vessel to replace the schooner *Cadboro*, you have increased the labour in the Department by ordering the chartered vessel to leave the outfit for this place at Victoria, while you have diminished our means by directing us not to employ her; and I beg to state in justice to the business that you [we?] will find it necessary to authorize the officer at this place to get the outfit brought here by the chartered vessel after she has landed the outfit for the coast at Fort Victoria, and also to deliver her a cargo for Woahoo or Tahiti, all of which ought to be conditionally settled with the owners in England, and as you see by the 20th par. of mine of 19th July last we will have a large quantity of produce to send to Tahiti if Messrs. Pelly and Allen can secure the contract and get means to transport it; and as those prices will pay us, I write by the present opportunity to Messrs. Pelly and Allan if they can secure the contract to charter her (if they will consider she will answer the purpose and can get her on favorable terms) to take a cargo to Tahiti, trusting, as you see the necessity of the case, that it will meet with your approbation.

38. As to the application of the Russians for another cargo of wheat and flour, if I was in charge I would not send it, unless instructed, as I consider the Company lose money at the present price, say 10/9 per Tanega of 126 lbs. owing to the length of time the vessels take to make the voyage. The *Vancouver* left this on the 7th May for Sitka, and only arrived here on the 12th instant. But if the Russian would send here for the wheat that price would pay.

39. In the 18th paragraph,—“We notice what you say in the 19th paragraph of your despatch in regard to the trade in buying and selling carried on at Vancouver with settlers, for which it appears that credit is taken in the Columbia accounts for a sum of £6000 owing by them; you will have to draw the particular attention of Council to this subject, to adopt some improved mode of conducting our dealings with these people, as from the heavy amount of outstanding debts, it appears to us that the present system must be defective and objectionable, and we cannot too strongly impress upon you the advantage of confining the dealings with settlers to prompt payment transactions as the best means of guarding against loss and difficulties arising out of disputes in the adjustment

²⁶ The Company's schooner, of only 72 tons.

of accounts", and Sir George in the 41st par. of his of the 16th June last,—“the credit system of business has been carried on we think to a very imprudent extent”. I beg to observe as I have already reported, we have since 1840 had a strong opposition in the Methodist Mission, Capt. Couch came here also that year and returned in 1842, as also Capt. Chapman, and in 1843 Mr. Pettygrove.²⁷ Capt. Chapman went away the same year he came, and gave up the business; the Methodists are broken both as a Mission and as a store-keeper, but Mr. Abernethy has purchased their small remains, and with Couch and Pettygrove are our present competitors. This last spring the Methodists offered to sell me their debts amounting to twenty-seven thousand dollars, and Capt. Couch in August last, offered to sell me his, as he said, amounting to thirty thousand, which of course I would not purchase, but which I mention that you may know how we were situated and our returns show they got very few furs, as you can satisfy yourselves by the abstract of accounts forwarded with this, and as you know, in competition we must regulate our proceedings by those of our opponents, and I also followed in acting as I did the instructions in the 5th par. of your despatch of 28th August, 1835, [quoting]

“With respect to the Americans, we have no doubt that you have done that which appeared to you to be best with regard to Mr. Wyeth, and we hope it may prove so, but we are decidedly of the opinion that the very reverse of the system we recommend as applicable to the Russians should be pursued towards the Americans. Wherever they attempt to establish a post on shore, we should have a party to oppose them even at a loss. Wherever they have a ship on the coast, we should have one there to compete with them. The sacrifice in opposition, you must from experience have found, is the cheapest in the long run.” And you repeat the same in the 35th par. of yours of 15th August, 1843,—“You will in all probability have been visited by Capt. Couch the last summer as you expected. In cases of this kind, we can give you no particular directions for your conduct, as you must be governed by circumstances as they arise; the general principle to be acted upon when competition occurs is to endeavour to defeat the object of the intruder by every fair means within your power, rendering speculation unprofitable, and selling at a small or even no profit for the time. We have but a choice of evils in such cases, but this plan we are of opinion will prove the least disadvantageous in the long run.” This most certainly is in my opinion the only way to compete in this country with an opposition, and which I have always seen followed; and which I considered it advisable to follow in this case, so as to secure our hold on the farmers, especially as you wrote in the 13th par. of yours of 21st December, 1842,—“It is probable in a year or two hence the Russian American Company may require a further quantity of flour beyond what is already contracted for, for Kamschatka.” I therefore made advances to meet this expected demand, as it would be better if not required to send it to Ooahoo than not to be able to fulfil the contract; and in 1842 and 1843 a great number of American immigrants came to the country, many of whom were in a destitute condition, who had not wherewith to pay even canoe hire to Indians for bringing them from the Dalles to this place, and if I had not made them advances to enable them to do so, they would have got into quarrels with

²⁷ See Bancroft, *Oregon*, I. 245. 422.

the Indians, would have been murdered, our business would have suffered, and it would have been reported throughout the world that we had set the Indians to murder these poor people, and time only could have cleared us of this odious imputation; meanwhile this defamatory report would most assuredly have injured the Company. But even if these immigrants had not been murdered by the Indians, and in that consequence of our refusing them assistance, some of them had perished (as I believe would have been the case, and which all the Americans admit), such an outcry would justly have been raised against us here, that even you in London would have suffered by it, and be blamed for the inhuman conduct of those persons managing the business of which you had the supreme direction, and I believe you would have been among the first to censure my conduct, and in acting as I have done I firmly believe that time will prove I have not only fulfilled the dictates of humanity, but most effectually promoted the best interests of the Company, as after all these men are paying their debts (charged with interest at 6 per cent) and the whole amount will be considerably reduced this year, and though we may and *will* lose some, still on the whole we will draw in a sufficient sum to pay us and leave us a handsome profit on the whole amount, for I must do the Americans the justice to say that as a body they are most anxious to pay their debts, and though there are among them a few bad characters, as is the case in all large communities, still as a body it is certain they will support what is right, and their hostility towards us, though it was very great, as through ignorance of *ours*, they thought we were infringing *their* national rights, as stated in the speeches of Messrs. Lynn, Benton, and Buchanan, and in the pamphlet of Messrs. Slacum, Kelly, and Spaulding,²⁸ in which we are represented to have caused between four and five hundred American citizens to be murdered; and so firmly did these men believe we had acted as represented, that they thought when they left the United States they would have to build forts to defend themselves from us and the Indians whom we would set on them; and certainly no person can blame them for feeling as they did, after hearing such false reports concerning us, but now that they are correctly informed, I am happy to find that these prejudices are disappearing fast.

40. . . . [Condemnation of McLoughlin's judgment in buying cattle from a Mr. Lease, driven up from California, which he offered to take on his own account if the Company refused to accept his judgment on the purchase. Simpson had written, as quoted by McLoughlin], "And we wish it distinctly understood that such transactions as are out of the ordinary course of business will not, unless entered on by special authority, be sanctioned hereafter." . . . [McLoughlin's reason for the purchase was because trade opposition in beef had brought the price to 3*d.* per pound, which did not more than cover cost and charges of the cattle; also to prevent American speculation in cattle. He sold

²⁸ Probably Senator Linn's speech of August 12, 1841, or of January 26 or January 30, 1843, Benton's of August 20, 1842, Buchanan's of August 20, 1842. Slacum's pamphlet is the *Memorial of William A. Slacum*, 25 Cong., 2 sess., *Sen. Ex. Doc. No. 24*, reprinted in 25 Cong., 3 sess., *House Report No. 101*, Appendix N, and in the *Quarterly of the Oregon Historical Society*, XIII. 177-224; Kelley's, his *Memoir* of January 31, 1839, in 25 Cong., 3 sess., *House Report No. 101*, Appendix O; and that of Captain Spaulding of the *Lausanne*, in 27 Cong., 2 sess., *House Report No. 830*, appendix.

them to the opponents of the cattle company, making nothing by the sale, but protecting the Company's trade. The explanation is a very lengthy one.]

41-42. . . . [McLoughlin complains that in answer to his request that Sir George Simpson would cite specific cases of injustice and severity to the men, he merely replies]: "Dr. McLoughlin wishes me to cite instances of that system of violence which has so often been noticed as prevailing on the west side of the mountains. I must, however, decline doing so, chiefly through an unwillingness to prolong so unprofitable a discussion of what is past, but if the journals of the different posts have been kept as carefully as they ought to have been, they will of themselves, I am sure, indicate a state of discipline decidedly different from anything practiced in any other quarter of the country. Such I take to be the undeniable fact and though perhaps most of the individual cases may be palliated or justified, yet I cannot too strongly impress on every gentleman's mind the tendency of habitual severity to render the service unpopular."

[McLoughlin refers to and quotes from a letter of March 20, 1844, which the editor of these documents has seen in the Company's archives, and to which Simpson replied, June 16, 1844]: "You express surprise to learn that the men who have left the Columbia complain of ill-usage, and seem to regret that individual cases were not cited. I have only to say the complaints of late have been so universal that it would occupy more time and attention than I am able to bestow on the subject to enter into details."

[Having quoted his own letter, and Simpson's reply, (both with great repetition), McLoughlin continues]: I can only say that Sir George Simpson having brought forward charges against us for ill-treating the men in the Company's service, and on having been called on for proofs, produces none, I must therefore consider that he has brought forward these charges without having any foundation for so doing. And in justice to myself I must say as a proof that the men are not ill-used at Vancouver; when Sir George Simpson was here in 1841, not one man complained to him of ill-usage. We have at times here as many as 200 men, and though they have daily opportunities of deserting to the Wallamette Settlement, yet only one man has deserted from this place since I have been here, (now twenty years), though they were encouraged to do so by persons inimical to us, and had the great inducement held out to them of becoming entitled to a claim of 640 acres of land,—and this man deserted two years ago. A short time after his desertion, I went to the Wallamette, and on sending a message to him, he came to me and delivered himself up. But some months afterwards he deserted a second time, and as he is a bad character, and occasionally feigns fits of insanity (it was while feigning one of these fits that he deserted the first time), and in his pretended fits he gave us a good deal of trouble, I allowed him to remain. As to the men who deserted from the brigade, they came here direct, and most certainly would not have done so if we had been in the habit of treating our men in the manner Sir George Simpson states.

43. [Delay of the *Cowlitz* at the mouth of the Cowlitz River, receiving wheat on an unexpected call for that commodity from the Russians.]

44. [Difficulty between Mr. Dodd²⁹ and a servant whose manner was insulting, when two or three others were "impudently looking on". Dodd gave the man a thrashing, to save the situation in the eyes of the Indians.] It was necessary for him to act as he did, as if he had not he would not only have lost the command of his men, but this would have got to the knowledge of the Indians, and would have endangered the safety of the establishment, and it may seem strange, but still it is a fact, that nothing tends more to the security of establishments at such a place as Stikene than that the Indians should know that the officer in charge is a man who will not allow himself to be imposed on.

45. . . . [McLoughlin's defense of his action in raising the salary of Angus McDonald (B)³⁰ ranking as postmaster, to £75 for present year and next (1845 and 1846), and £100 for 1847.]

46. In his [Simpson's] 35th paragraph, [quoting], "Our operations on the West side of the mountains, although very extended and showing according to the accounts transmitted fair profits, we think are not so productive as represented by the accounts. According to the statements from the Columbia the profits are on

Outfit 1841	£22974
" 1842	16982
" 1843	21726

whereas by a statement herewith forwarded, you will observe the profits are reduced, on

Outfit 1841 actual profit	£1474
" 1842 actual loss	4003
" 1843 actual loss	3136

This very startling discrepancy seems principally to arise from the Columbia account of returns being valued 25 per cent above their value."

The returns were valued at those prices in compliance with the instructions received from the Governor and Council. I also received a document, of which the following is a copy,—

"California Balance Sheet, Outfit 1842.	
"By profit, per Columbia statement	£2363. 3.7
"Less overcharge on hides,	£1222. 0.2
" " beaver	116. 7.6
" " otters	205. 4.0
" " wheat	496. 0.8
" credited Sandwich Islands, ³¹	
on 5000 [?] supplied California	132.16.1
4c. each	93. 6.8
" 12 months interest on	
inventory	219.18.0
	£2485.13.1
"Apparent loss	£ 122. 9.6"

²⁹ Dodd, chief mate of the *Cowlitz*, had been left by Simpson in charge at Stikene after young McLoughlin's murder.

³⁰ There seem to have been two of this name, one designated as (A) and the other as (B).

³¹ This seems to refer to some temporary loan, or use of \$5000, permitted to the California post from the Sandwich Islands; but it is not clear.

But no details are sent to show how they came to these results. But how they worked out the loss of 4c. on every dollar supplied by Woahoo to California is quite unaccountable, as the latter is charged 5/ sterling per dollar, and Woahoo got credit for that sum, while when it remits in bills Woahoo never got so much. But that is not the way to examine the affair so far as my management is concerned, but to take my instructions and examine my proceedings, and the more it is done by persons acquainted with the business of the place, the more I believe I have cause to be satisfied; and it is, I beg to say impossible for any person to get acquainted with the business unless he is a year at the very least at the place and attends to the whole transactions, and sees how the different branches bear on each other.

48. [Paragraph regarding the desirability of having Father De Smet order goods necessary for his missions through the Company in England, to be sent in their ships, rather than buy from Fort Vancouver, as the bills had to be paid in Europe.]

49. In the 40th paragraph of his despatch, 16th June,—[quoting] “Now that the mills are disposed of, we consider it highly desirable to withdraw the Company’s officers and servants from the Wallamette Falls, as we do not think the prospects of trade are sufficiently encouraging to render it an object for the Company to keep up an establishment there. You will therefore be pleased to withdraw C. F. Ermatinger and any other servant or officers belonging to the Company from that place, stationing Mr. Ermatinger at Colville for the winter, as directed by the Council and noticed in a former part of this despatch, unless indeed it be found that you can conveniently dispense with that gentleman’s services altogether for the season in which case he is to be at liberty to proceed to England by the ship.”

“Inconvenience and perhaps in some instances loss might arise if the Company had no person at the Falls to watch their interest, we therefore think instead of maintaining an expensive establishment as heretofore, it might be advisable to supply Mr. J. G. Campbell, or some other active, intelligent American resident there with a few goods to enable him to trade skins brought thither by Indians and others, and generally to attend to the Company’s affairs, allowing him a certain sum for his services in such agency, such allowance to cover all charges for labour, maintenance, residence, etc., etc. By these arrangements the deeply rooted existing jealousy towards the Company arising at the Falls [will be] removed, while the little business we conduct there will be carried on upon an economical policy.

“41.” [Still quoting]: “An anxious desire to concentrate the very unpromising and unproductive business in which we are at present engaged in the same quarter would determine us on withdrawing the post at Campment du Sable,³² were it not that a store or granary there seems necessary at present to collect, in grains, some portion of the very heavy outstanding debts in the Wallamette. The credit system of business with the settlers has been carried on we think to a very imprudent extent, and as there is neither honor nor honesty among those people, and that as British subjects we cannot enforce the recovery of debts under the existing laws, we are of opinion that it might be good

³² A sandy bluff on the east side of the Willamette, at or near the present Butteville; an entrance to the French Prairie. The store built by the Company at Butteville about 1840 remained standing until 1890.

policy to sell these debts to any respectable American who would be disposed to purchase them in a block at such a discount as would enable him to make something by them. We do not however press the mode of closing these transactions, but throw out the suggestions for your consideration and adoption if you think it advisable. Should you determine on continuing the establishment at Campment du Sable, we have to beg that it be kept up on a very moderate scale, say a keen, intelligent clerk or postmaster,³³ and one man to be provided with a few goods for sale on prompt payment, and for the purpose of collecting any furs that might come within their reach. In order to guard against national jealousy, it might perhaps be found to answer better to employ an American, say Newell,³⁴ to collect the outstanding debts. Indeed we are disposed to believe that an active American would be much more successful in collecting these debts both from the Company's retired servants and from Americans than any of our own people that could be employed there.

"42" [of Simpson]. "C. F.³⁵ McLoughlin in one of his letters seems to think the Wallamette settlers will have about 50,000 bus. grain for market this year; we do not however think that a trade in that article beyond what may be required for the Service, for the Russian American Company, and for a depot of about 1000 barrels flour to be kept on hand from year to year to meet the demands of any of Her Majesty's vessels that may visit the coast, is an object deserving our attention. The produce of the Company's farm at Vancouver, (the crop of which last year C. F. McLoughlin estimates at 4,000 bu. wheat, etc.) and those at the Cowlitz and Fort Victoria together with the grain which we have every reason to expect in payment of our debt from the Wallamette settlers, we think ought to meet all these demands, and considering the state of our present relations with the United States and the troublesome population by whom we are surrounded we are indisposed to embark more largely in that branch of trade than these demands appear to render necessary."

[50?] I have troubled you with these extracts as they are completely at variance with the instructions I received from the Governor and Council which hitherto have been in unison with the 5th par. of yours of 25th August, 1835, and the 33d par. of 27th Sept. 1843, and which have always been the rule of my conduct as will be found to be the case when it is properly understood, and though it is probable that the boundary will soon be settled, yet as it is certain that the Hudson's Bay Company can obtain all the time and every facility to draw in their debts, and as most certainly they will find it to their interest to keep a store at Oregon City, I would recommend them to do so as long as the law allows them, managed by their own officers.

51. Oregon City is destined by nature to be the best place for commerce in this country, and is about twenty-five miles from this place; and people will prefer to pay dearer there than to come here. The Company this year will sell goods there to the amount of £4000 sterling, on which they will gain something handsome, though at present (as

³³ A postmaster ranked between a laborer and a clerk.

³⁴ Robert Newell, a member of the legislative assembly from Champoeg County. See *Quarterly* of the Oregon Historical Society, IX. 103-126, article by T. C. Elliott.

³⁵ C. F. for Chief Factor.

the season for making out the accounts is not yet come) we cannot say what the amount may be; besides this, by so doing, they keep their competitors occupied, and prevent them extending their trade to other posts, and maintain and extend their own influence. It was because I thought Great Britain would have the north bank of the Columbia, that to facilitate the farmers in bringing their produce to this place, I took the precaution to obtain a right to erect a canal there, which can be constructed at a very small expense.

52. In the 76th Resolve of Council, it is directed "that settlers and missionaries of all denominations be charged 100% on prime cost for cash on approved bills, dollars being valued at $\frac{4}{6}$ each." I beg to observe that having opposition to contend with it will be impossible to adhere to this resolve and that it will be entirely necessary to regulate the prices by those of their competitors, and the demand of the article.

53. Having detained you so much on these subjects to which I have referred in the foregoing part of my despatch to explain to you my motives for acting in every manner as I have, and in justice to myself I beg to request that you will oblige me by informing me what act of mine has caused you to decide, as Mr. Secretary Barclay writes me in the 10th par. of his despatch of 30th November, 1844,—

"The advantages however which the Governor and Committee had hoped would be derived from placing the Columbia Department under the charge of one person I am sorry to state have not been realized"; and as to the following extract, in a subsequent part of the same paragraph,—“After maturely considering the results that have been obtained up to the present time, and looking forward to the probable circumstances of the future, they are decidedly of opinion that it is not advisable that the charge of so extensive a district should be confided to one individual however experienced; and they have therefore decided that the country shall be divided into two or more districts, each to be represented by a commissioned officer.” Sir George Simpson will recollect that I would renew my agreement on no other terms but that I would have charge of the Columbia District and £500 per annum beyond my emolument as a chief factor. As to the altered circumstances of the Department, they cannot I consider apply to the case, as at the time of my agreeing, I asked Sir George Simpson if the joint stock company did not take place,³⁶ whether I would be allowed the five hundred pounds per annum extra emolument. His reply was that I would still have the five hundred.

54. As to the leave of absence granted me in the 44th paragraph of Sir George Simpson's despatch of 16th June last, in justice to my own character, I cannot think of availing myself of it, as I consider my services necessary to the close of the outfit, so as to carry out the plans I laid down for the operation of the outfit, and the result will show if the measures I adopted and followed were judicious or not, and if I have exerted myself with zeal to promote the interests of the Company,—and I certainly if possible will go out next spring,³⁷ not to take a charge there as that is out of the question, but merely to demand as a right a full examination into my conduct and proceedings in the man-

³⁶ Probably the Puget Sound Agricultural Association, which was joint-stock company, and was organized the winter McLoughlin was in London, 1838–1839, at which time he renewed his agreement.

³⁷ That is, go out with the overland express, thence to London.

agement of my charge, which is no less an act of justice to myself than to the Company. For if my measures were proper and are now not only not pursued but even censured, I am wronged and the Company injured. But as this proceeds from relying on incorrect information or misrepresentation, I trust that when the truth is known that justice will be done me.

55. A much larger immigration came from the States this year than formerly, but I cannot say the exact number, some say three, others five thousand. They brought large herds of cattle, and judging from their appearances, they seem with few exceptions to have been in easy circumstances in their own country.

56. [Departure of the *Vancouver* to N. W. coast and return.]

57. [Derangement of shipping business through the long delay of the *Vancouver*.]

58. [*Vancouver* to go with flour to Oahu,] touching at St. Francisco to land an officer to close the California business, and on her return will again touch at St. Francisco to bring the officer and the proceeds of the business to this place.

59. [Short note on the voyage of the *Cowlitz*.]

60. [Good general sales at the Oahu store.]

61. [Receipt from Consul General Millar of answer to McLoughlin's letter of 24th March, 1845; very general. This letter was regarding protection needed at Fort Vancouver against the threats of outlaw settlers to burn it down.]

62. [Regarding letter written to Pelly and Allan, agents at Oahu, referring to McLoughlin's letter to Millar.]

63. [Pelly and Allan forward to Millar an extract from McLoughlin's letter to them.]

64. [Arrival of John Work³⁸ from the coast, where all was quiet.]

65. [Captain McNeill³⁹ obliged to return to Stikine in a Russian vessel, from a nearby point, as Captain Humphreys, of the Company's ship,⁴⁰ refused him passage.]

66. [McLoughlin and McNeill declare Captain Humphreys to be obviously mentally unbalanced.]

67. . . . [Announces arrival of Lieutenant Peel, with Captain Parke of the Marines, with a letter from Captain Gordon of the *America*, which had just arrived in the Straits from the Sandwich Islands, to investigate Oregon conditions and report to England.] "When Lieutenant Peel⁴¹ arrived, Chief Factor Douglas was on a tour in the Wallamette with Captain Warre and Lieutenant Vavasour, and were (as was well known would be the case) received by all the settlers in the Wallamette with the utmost hospitality of which their means would

³⁸ One of the Company's chief factors.

³⁹ William McNeill, an American, who, after skillful opposition to the Company, had been called into its service and was now captain of the Company's steamer *Beaver*.

⁴⁰ The *Columbia*.

⁴¹ Third son of Sir Robert Peel. Captain John Gordon, R. N., was a brother of the Earl of Aberdeen. For the visit of Warre and Vavasour, see the *Quarterly* of the Oregon Historical Society, X. 1-99. A copy of their report, unfavorable to McLoughlin, was sent by Governor Simpson to Douglas, and shown by the latter to McLoughlin in 1846, after his retirement. Bancroft summarizes it, *Oregon*, I. 501-504.

admit, for although these men are rough in their manners, their hospitality and kindness to strangers are proverbial. Lieutenant Peel and Captain Parke accompanied by Mr. Lowe (one of our officers whom I sent for the purpose) visited the Wallamette, and they also appeared well pleased with the reception they received.

68. On the 16th September Mr. Douglas accompanied by Lieutenant Peel and Captain Parke left this [place] to proceed to the *America*. I wrote Captain Gordon (No. 15) and Mr. Douglas went to the *America* to give any further information Captain Gordon might require for Her Majesty's Government. Chief Factor Douglas found the *America* at Port Discovery, remained on board three days with the Hon. Capt. Gordon, and handed him a copy of my correspondence with the Methodist Mission about the Falls and of my report to you on Messrs. Slacum's and Kelly's narrative, and Dr. Lynn's speeches.⁴² As these narratives and speeches are circulated in the Pacific, I considered it but proper that British officers should be informed of this gross misrepresentation.

69. . . . [Douglas went from the *America* to Victoria, where work in the construction of the fort was going on under Roderick Finlayson; he returned to Vancouver October 16.] But on his way back he found the *Modeste*, Captain Baillie, anchored in New Dungeness, who handed him a letter from Admiral Seymour to me (No. 16) and addressed one (No. 17) to Chief Factor Douglas to which the latter replied (No. 18), and on learning that the *Modeste* was in the Columbia River, we immediately sent them refreshments.⁴³ I wrote him (No. 19) in which you will see I coincide with Chief Factor Douglas and recommend that the *Modeste* come to this place, for although all the people are very quiet and I do not apprehend the least danger, still the visit of a British man-of-war to the place has both a moral and political effect and shows that our Government is ready to protect us.⁴⁴ But before receiving my letter, Capt'n Baillie wrote me one (No. 20) and on the receipt of mine he wrote his answer (No. 21) and of course is now on his way here, and I expect to see him with the first westerly wind. We will treat him and his officers with that attention and cordiality to which the flag under which they serve and the service they render us entitle them.

70. The farmers have large crops but unfortunately lost some by rain during harvest, which is the first instance of the kind while I am here. We have in store at this place, at the Falls, and at Campment du Sable about 50,000 bushels wheat, besides what is at the Cowlitz;

⁴² Slacum, Kelley, Linn. See note 28, above.

⁴³ While Douglas came overland to Vancouver by the Cowlitz trail, from Puget Sound, the *Modeste* sailed down the coast and into the Columbia River.

⁴⁴ A great deal was made by the American settlers in Oregon and by American politicians at Washington, D. C., of this visit of the *Modeste*, and Miss Agnes Laut (*Conquest of the Great Northwest*, II. 367) goes so far as to refer to the five hundred marines on board as keeping the Americans quiet. The muster-roll consulted in the British Public Record Office shows that the *Modeste* had on board fifteen officers, eighteen marines, thirteen boys, and a crew of 115 sailors. She ranked as third-class, having only twelve or fourteen guns. On account of the lawless element among the settlers and their persistent threats against Fort Vancouver, the *Modeste* stayed in the river a year and a half. The letters, referred to by number, related to the need of the fort for protection.

between the Puget Sound Farm and the settlers at that place, say about 10,000. The crop at Vancouver is about 4000 bushels wheat, 4000 pease and about 5000 oats. And as I stated in par. 36, after supplying the contract for the Russians, we will have 5000 barrels flour for sale, but we will have some difficulty in getting barrels to contain the flour. At present we purchase wheat at 60 cents per bushel, payable in goods at 100 per cent advance, but only from a few good customers whom out of policy we cannot cast off.

71. [Regarding a note to Chief Factor Peter Skeen Ogden, from both McLoughlin and Douglas, asking his opinion as to their action in joining the Provisional Government; no answer as yet from Ogden, who was in the interior.]

72. . . . [Dugald McTavish to proceed in the *Vancouver* to San Francisco, to close the California business]: as it has been out of my power to send a person there since I heard of the death of Mr. Rae.

73. In closing this my official correspondence with Your Honors, I beg to observe that I always thought that exerting myself zealously to promote the interests of the Hudson's Bay Company, to the best of my abilities, would at least assure me their approbation, if not their protection. Whether I have done the best the circumstances of the case would admit is not for me to determine; but I will assert that I went so far in my zeal as to risk my private means to carry on works at the Wallamette Falls so as to secure it from persons who wanted to get it in order to use the influence the place would give to the prejudice of the Hudson's Bay Company, to which I was also induced on account of the hostile feeling the immigrants had to the Company, as I was afraid if I did [not] give them employment, that animated with this feeling and urged by their wants, they might make an attack on the property at this place which might be destroyed, and for which the Hudson's Bay Company never could get any indemnification, and the whole of the Company's business in this Department would be ruined. In doing which, by Sir George Simpson's not writing me in 1843, to take the place in my own name, I had to give five acres of the best ground for building lots, and five hundred dollars to Rev. Mr. Waller,⁴⁵ and by the Hudson's Bay Company not giving me sanction to take it in my own name⁴⁶ in time (which they could readily have done) I had to pay three thousand four hundred and twenty dollars for improvements not worth one-half the money and one thousand nine hundred and eighty dollars for lots to which they had no claim,—and to close the business, it is proposed this year to charge me an advance of 100 per cent on the goods I have had to carry on the business,⁴⁷ when I carried it on with the spirit of opposition and made it subservient to the Hudson's Bay Company business and interests, and so little is what I have done understood, or more properly speaking, it is so completely mis-

⁴⁵ Rev. Alvan F. Waller, Methodist missionary. For his controversy with the writer, see Holman, *Dr. John McLoughlin*, pp. 105–109 *et seq.*

⁴⁶ Under his contract with the Company, McLoughlin could not engage in any business, or give attention to any personal interest. The entire time and thought of the officers and servants, by contract, were to be given to the Company.

⁴⁷ One of the first actions of James Douglas, in taking charge of Fort Vancouver, was to settle this on a more just basis, as reported by him in a very matter-of-fact way.

understood, that instead of being appreciated as it ought, I am disgraced, and my salary of £500 per annum, which is a part of the consideration on which I renewed my agreement, is stopped without any previous notice as I only heard it on the 15th June last. But my conduct must have been misrepresented, or I must have been completely misunderstood, and I trust that when the truth is known, it will be found that I have acted with as much zeal as if my life had been at stake, and justice will be done me.

74. If business admitted, I would certainly go to London with the present opportunity, as I feel my presence would be necessary not only on my own account, but that of the Company, and allow me to assure you that I find it necessary for the well being of the business that an officer well acquainted with it should go to London to give you explanations every second year. If this had been the case, most certainly the business of this Department would have benefitted by it, and I would not suffer as I do.

75. Referring you to the accompanying documents for further information on the business of the department, and though I am treated in a very different manner to what I expected, and very far from what I consider myself entitled to, with best wishes for the prosperity of the trade and full confidence that time will prove if I have done my best to promote it or not,

I have the honor to remain,

Your most obedient, humble servant

JOHN MCLOUGHLIN

Chief Factor

To

The Governor, Deputy Governor, and Committee,
Hon'ble Hudson's Bay Company
London